GOVERNMENT OF INDIA
ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2172
ANSWERED ON:15.03.2017
Investment in Start-Ups
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Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Center is targeting an investment of about 2200 crore by 2019 in start-ups working on new Technologies in the Electronic Sector under Electronics Development Fund (EDF);
(b) if so, the details thereof;
(c) whether EDF would put in 10 percent of capital in daughter fund and the rest would be invested by venture capitalists;
(d) if so, the details thereof; and
(e) the amount of growth it is likely to bring to GDP?

Answer

(a) and (b): Ministry of Electronics & Information Technology, Government of India has setup "Electronics Development Fund (EDF)" as a "Fund of Funds" to participate in professionally managed "Daughter Funds" which in turn will provide risk capital to companies developing new technologies in the area of Electronics System Design Manufacturing(ESDM), nano-electronics and Information Technology (IT). As per the approval of EFC proposal, Rs.726.5 Crore has been allocated over the tenure of EDF.

(c) and (d): EDF would typically take minority participation in the Daughter Fund. The entire responsibility of raising the fund, investing and monitoring individual investments would be the responsibility of the Fund Manager of the Daughter Fund.

(e): The target beneficiaries of EDF are Daughter Funds. The EDF has no direct link with GDP, however, there may be impact on promotion of innovation, R&D, product development within the country in the specified fields of ESDM, nanoelectronics and IT.

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